

**CASCADE METROPOLITAN DISTRICT NO. 1**  
**NOTICE OF REGULAR MEETING**

Cascade Fire Station  
8015 Severy Road  
Cascade, Colorado  
Tuesday, January 26, 2016  
5:30 P.M.

**Board of Directors**

Mike Whittemore, President	Term Expires May 2016
Mike Herr, Secretary/Treasurer	Term Expires May 2016
Troy Eason, Assistant Secretary	Term Expires May 2018
Stephen Spaulding, Assistant Secretary	Term Expires May 2018
Susan Soloyanis, Assistant Secretary	Term Expires May 2016

**AGENDA**

1. **Call to Order**
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures**
3. **Approval of Agenda**
4. **Public Comment** (Items Not on the Agenda Only. Comments limited to 3 minutes per person and taken in Order In Which They Appear on Sign-Up Sheet)
5. **Correspondence** (Board Responses to Community Correspondence Received Outside of the Board Meeting. Board will recite the questions or comments received and provide a verbal response which will be recorded in the minutes. No public comment will be taken during this time)
6. **Consent Agenda Items** (These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda)
  - a. Acknowledge Operations Report (**enclosure**)
  - b. Acknowledge Manager's Report (**enclosure**)
  - c. Approval of Board Meeting Minutes from the December 22, 2015 Meeting (**enclosure**)
  - d. Approval of Payables for the Period Ending January 26, 2016 (**enclosure**) in the amount of:

General Fund:	\$ 31,641.12
Capital Projects Fund:	\$TBD
Grant Projects Fund:	\$ 0.00
<u>Debt Service Fund:</u>	<u>\$23,512.44</u>
Total	\$TBD
  - e. Acceptance of Unaudited Financial Statements as December 31, 2015, the schedule of cash position updated as of December 31, 2015 and bank statements (**enclosure**)
  - f. Approval of Requisition No. 7 to UMB Bank, as Trustee, for payment of Working Capital Project funds from Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and 2015 B (**to be provided under separate cover**)
  - g. Approval of Engagement Letter with BiggsKofford for Conduct of 2015 Audit (**enclosure**)
  - h. Approval of an Independent Contractor Agreement with Beers and Brock Construction, LLC, for On Call Repair Services (**enclosure**)

- i. Adoption of Resolution No. 2016-01-01: Designating District's 24 Hour Posting Location (**enclosure**)
- j. Approval of Public Records Request Policy (**enclosure**)

**7. Consideration of items removed from Consent Agenda**

**8. Management Matters**

- a. CSU report update

**9. Operations Matters**

**10. Financial Matters**

**11. Legal Matters**

- a. Consider Approval of Infrastructure Construction and Conveyance Agreement with Pyramid Mountain Properties, LLC for Extension of Water Facilities and Service to Property Outside District Boundaries (**to be provided under separate cover**)
- b. Discuss Water Tap Fees for Out of District Customers
- c. Update on May 3, 2016 Director Election (**enclosure**)
- d. Consider Approval of Correspondence to El Paso County Board of County Commissioners Regarding Annual Update as Required by Service Plan Amendment (**distributed under separate cover**)

**12. Executive Session (§§ 24-6-402(4)(b) and (e), C.R.S.)**

- a. Discuss Potential Claims Against Former Auditor

**13. Other Business**

- a. Next Meeting—February 23, 2016 at 5:30 PM

**14. Adjournment**

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.a**

**Enclosure**

# **CASCADE METROPOLITAN DISTRICT No. 1**

**Monthly Operations Report**  
**For Period: January 1-17, 2016**  
**By: Andre Kilik, Operator/O.R.C.**

## **TOTAL WATER RECEIVED at CITY MASTER METER**

**Weekly Electronic Read-Out ----- 1-7 -----390k gallons**  
**----- 8-14 -----400k gallons**  
**----- 15-17 -----127k gallons**  
**----- Monthly Total Read Out – 917k gallons for January**

## **OPERATIONS & MAINTENANCE ISSUES**

- 1) Bacti. samples January 11, 2016 - Pass
- 2) No Leaks found on CMD #1 system. Known leak after meter at North Pole. Assist Lamb excavating on leak locate at Santas Workshop / North Pole.
- 3) CSU Hydrant Testing / Assistance with CSU operators on 8 hydrants completed Jan. 12.

## **OTHER BUSINESS:**

1. C Testing on Operator Kilik postponed due to TU not accepted by Certification Board. I am in process of completing a second set of TU training hrs. to proceed in testing for C license.
2. Permission to attend Rural Water Convention Feb 8-11 (Denver)
3. Roofing/ structural on Emporia Wheel house. Snow covered currently. Need to replace framework and roof when temp/weather is good. Currently covered with 6" of snow. Should not freeze.

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.b**

**Enclosure**



## SCHOOLER & ASSOCIATES, INC.

Development Consultants  
Special District Management



Cascade Metropolitan District No. 1  
Manager's Report  
January 19, 2015

### 1. Billing

- Meters were read on December 31.
- 95% of the statements were mailed on January 7. Remainder were completed by December 11.
- Requested and processed 5 re-reads and 1 meter change (Mary McGreevy per her discussion at the meeting in December).
- Bill pay address issues have been resolved.

### 2. Other management actions

- Backflow certified letters have been returned. Numerous questions have been referred and discussed with rate payers
- Submitted invoice for the Fitz Gulch engineering project. Funds have been received at the County and we expect reimbursement shortly
- Submitted Water Leak Adjustment Application to CSU
- Requested that the previously filed FEMA grant for Stults water line repair be withdrawn
- Submitted a grant application for assistance with creation of an online bill retrieval system from DOLA
- Researched and confirmed that daily readings can be obtained from the CSU meter from our account online. Communicated with operator regarding what will be needed to confirm online data.
- Uploaded documents to website
- Completed transparency notices and corrections
- Continued use of Work orders with Operators
- Received notification of a preliminary recommendation that at C license no longer be required by the District
- Drafted and shared time sheets with operators to begin time tracking
- Coordinated changeover of PayChex account to Schooler
- Supported attorney in drafting agreement with property owner for extension of services.
- Completed work with one additional contractor for on call repair services. Moved two additional contractors forward on same
- 

### 3. Customer service



- Primarily issues related to backflow issues and minimal billing questions and issues
  - Researched and outlined tank inspection plan
  - Completed and distributed weekly task list per Board recommendation
  - Coordinated and discussed grant filings and payments with Engineer and Attorney
4. Accounting and bookkeeping
- Transmitted approved financial statements to bond trustee
  - Researched changing payroll services.
5. Operations support
- Discussed time sheets

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.c**

**Enclosure**



**MINUTES OF A REGULAR MEETING OF  
OF THE BOARD OF DIRECTORS OF THE  
CASCADE METROPOLITAN DISTRICT NO. 1  
HELD DECEMBER 22, 2015**

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 22nd day of December, 2015, at 5:30 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. The meeting was open to the public.

**Directors In Attendance Were:**

Mike Whittemore  
Mike Herr  
Troy Eason  
Stephen Spaulding  
Susan Soloyanis

**Also In Attendance Were:**

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law  
Duane Schorman, District Operator  
Andre Kilik, District Operator  
Kevin Walker and Brenda Quinones, Schooler & Associates, Inc., District Managers

Members of the Public; see attached list

1. **Call to Order** – The meeting was called to order Board President Whittemore at 5:33 PM.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures** - The Board discussed the requirements pursuant to Colorado law to disclose any potential or existing conflicts of interest to the Board of Directors and to the Secretary of State. Ms. Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tanaka noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No additional disclosures were noted.
3. **Approval of Agenda** – Mr. Walker requested the addition of approval of Requisition Number 6 to the Financial Matters. (This was later noted that it was included in the Consent Calendar section). The agenda order for item 8 b was adjusted to have the presentation of the CSU submittal to first under this item. Moved by Director Soloyanis and seconded by Director Spaulding to approve agenda as amended. Motion passed unanimously.
4. **Public Comment** – Mr. Don Brown spoke for Cindy Lou Megyeri, owner of 7850 Gardiner Rd. He explained that a contractor had been responsible for breaking the meter and modifying it

to keep it running with a paper clip. He explained that he was going to be the owner of the property as a result of a deed that was to be recorded and that now that the past due amounts were certified to the El Paso County Treasurer that this would be covered by the lender when taxes were due and payable. Ms. Tanaka explained the billing status for the account noting that the amounts certified to the County were those which were more than six months delinquent, by statute, and that additional fees are outstanding for amounts that have accrued since that period of time. Ms. Tanaka noted that if payment was made on that outstanding amount, service can be restored. It was noted that the Board had previously approved a payment plan for the property, which plan was never acknowledged in writing by the property owner and pursuant to which no payments were made. Ms. Tanaka noted that service to the property was previously shut off as a result of non-payment. Mr. Brown noted he will be in touch with Mr. Walker in order to bring the account current.

Mary McGreevy, 8154 West US Highway 24, and 7790 Severy Ave., discussed her billing situation and requested clarification about her alternatives to the District's water system noting questions and concerns about the various fees charged for her service. Specifically, she wanted to know if she could have water delivered to her home as opposed to receiving service from the District. Ms. Tanaka and Board President Whittemore explained that if she were to have water delivered, she would still be required to make the payments for the fixed charges, which includes all fees except the usage. Ms. Tanaka also noted that if she were to abandon her tap and later wanted to receive service again, she would be required to repurchase a tap at the then-current rate. Further, Ms. Tanaka noted that once CSU takes over operation of the system, they may force her to hook up to the system and receive service. Mr. Walker discussed that the meter at this location had been measuring no usage for several months and that a work order had been generated to see if the meter was no longer operating correctly.

Mr. Walker also discussed the December billing and clarified that there had not been an increase in the charges but that there had been adjusted billing for December to reflect only 10% of the water usage charges being billed in November (October usage) due to a software error. The billing difficulties were being addressed at no charge to the District by Schooler & Associates, Inc. through the use of third party billing expertise and that the billing transition difficulties should be improved in the January billing. Mr. Walker agreed to follow up with Mrs. McGreevy to clarify the billing issues specifically related to her property.

General discussion about the billing issues with the ratepayers occurred and it was noted that the Manager should better notify the Board when issues such as this are expected.

**5. Correspondence - None**

**6. Consent Agenda Items**

- a. Acknowledge Manager's Report
- b. Approval of Board Meeting Minutes from the November 17, 2015 Special Meeting
- c. Approval of Payables for the Period Ending December 21, 2015 in the amount of:  
General Fund: \$81,524.41

Debt Service Fund:	\$80,280.91
Total	\$162,105.32

- d. Acceptance of Unaudited Financial Statements as November 30, 2015, the schedule of cash position updated as of November 30, 2015 and bank statements (enclosure)
- e. Approval of Requisition No. 6 in the amount of \$20,210.26 to UMB Bank, as Trustee, for payment of Working Capital Project funds from Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and 2015 B (enclosure)
- f. Ratify Second Addendum to the Independent Contractor Agreement with Lamb Plumbing and Excavating, Inc. for plumbing and excavation services (enclosure)
- g. Ratify approval of Second Addendum Independent Contractors Agreement With GMS, Inc. for General Engineering Services (enclosure)
- h. Ratify approval of Memorandum of Understanding with El Paso County regarding the funding of design services for Fitz Gulch Project (enclosure)

Mr. Kilik presented a verbal Operations Report to the Board due to computer issues. Mr. Kilik noted concerns about the pump house roof needing repair (Director Eason agreed to assist the operators in reviewing the situation). Mr. Kilik reported that CSU's request for eight water samples had been delayed due to the weather as the sampling requires flushing of the system which water would freeze on the roads creating an unsafe road condition. The Board inquired into whether it was possible to use CSU's lab for the test results to save on money. GMS will look into this possibility. Mr. Kilik also noted that the chlorine residual levels were not consistent through the system and this was a concern for operations. The chlorine issue was to be followed up on by the Operator and the engineer to ensure the .2 mg/l residual requirement is being met at the farthest point on the system.

Director Herr noted that he had reviewed the financials and the accounts had reconciled. Mr. Walker noted that the backflow preventer letters had been sent in early December with a date of March 15 noted for compliance. Motion made by Director Soloyanis, seconded by Director Eason, to approve the Consent Agenda. Approved unanimously.

#### **7. Consideration of items removed from Consent Agenda – None**

#### **8. Management Matters**

- b. CSU report update – Director Soloyanis introduced the issue and Mr. Meyer and Mr. Frisch from Meyer and Sams, Inc. to present the Preliminary Draft report to be delivered the next week to CSU. Preliminary draft reports were delivered to the Board. The general outline of the report was introduced. The detailed presentation covered the following items:
  1. General system status with numerous improvements outside of existing rights of way
  2. That the primary objectives of the recommendations is to
    - a. Protect Public Health
    - b. Protect Public Safety
    - c. System Reliability

- d. Operations and maintenance
- 3. Specific recommendations were presented:
  - a. Chipita Park Rd.
  - b. Rampart Terrace/US Highway 24
  - c. Fountain/Chipita Park/Martindale area
  - d. Hagerman/Forest/Mariposa/Columbine area
  - e. Pyramid Mountain Road Area
  - f. Poplar/Oak/Martindale area
  - g. Prairie/Park Area
  - h. US Highway 24 frontage road
  - i. Modjeska/Hagerman/Severy area
  - j. Heizer Street Area
  - k. South Topeka Ave.
  - l. Storage Tank
    - i. Recommendation to operate system without tank
  - m. CSU Connection
  - n. General valves, hydrants and valve boxes

General discussion on the presentation occurred. Moving the lines out of easements and into ROW was a primary objective for safety and maintenance purposes. It was noted that the tank recommendation had the advantage of removing an expensive item for upgrade and allowed the system to operate with different pressures managed by a pressure reducing valves. The current buildings were noted as liabilities, especially the pump house roof. The construction process was noted to include extensive coordination and notification of affected property owners as the construction progressed.

The timing was reviewed as follows:

- Submittal by December 28, 2015
- 60 day review by CSU with CSU to provide an Improvements Required Report ("IRR") by 60 days (expect that there will be ongoing discussions as questions come forward)
- 90 day review by District to decide whether to go forward with CSU conversion or to pursue an independent system
- If the District pursues conversion, 5 years from the CSU IRR issuance date to complete improvements with a possible 2 year extension available if substantial completion is achieved by the 5 year date
- Likely construction to begin in 2017 if go forward with CSU alternative

Other issues discussed included the need for property interests such as easements which may require the use of condemnation proceedings. It was noted that the grant may need to be expanded as the process progresses. Also, CSU relationships and communication was much improved.

Moved by Director Herr, seconded by Director Eason to accept the report,

subject to finalization, and to authorize submittal to CSU by the December 28, 2015 deadline. Motion passed unanimously.

- a. Update on Fitz Gulch – Ms. Tanaka and Mr. Walker reviewed the current status of the process to remediate the storm damage. The water line has been covered, the design accomplished, the invoice submitted. Property owners were still not in agreement with the plan and did not agree to assume maintenance responsibilities or obligations upon completion of the improvements. The Board reiterated its position that no further expenditure of time or District funds be directed toward this project unless and until the sources of funds can be identified and confirmed and the maintenance obligations are agreed to by someone other than the District.
- c. EIAF Grant status was discussed. The use of grant funds to the extent possible for current expenditures will be reviewed with the Manager, Counsel and Engineer.
- d. Billing reconciliation was noted to have been discussed previously in the meeting.

**9. Operations Matters –**

The status of the leak was discussed. Leaks at the Highway Frontage Road, Rampart Terrace and Severy Rd. had been repaired and the water usage was back to normal. The application for a leak adjustment through the Colorado Springs Utilities process was prepared and will be submitted upon counsel review.

Mr. Kilik reported that the operations staff replaced two fire hydrants. He also noted that the remote reader at the master meter is having issues and indicated he will manually read this meter. He noted he is not sure what the cost of a new reader is. It was suggested that since CSU provided the reader, they may be willing and/or able to repair or replace the reader and requested that GMS contact CSU regarding this matter.

**10. Financial Matters**

11. **Legal Matters** – Ms. Tanaka engaged the Board in a general discussion regarding social media and the Sunshine law.

12. **Other Business** – Next meeting date is scheduled on January 26, 2016.

Meeting adjourned at 7:53 PM.

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.d**

**Enclosure**

**CASCADE Metropolitan District**  
**PAYMENT REQUEST**  
**1/18/2016**  
**GENERAL FUND ACCOUNT**

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Amanda Hunter		1/18/2016	\$ 113.85		\$ 113.85	
Black Hills Energy	7847904478	12/29/2015	\$ 52.97		\$ 52.97	
Black Hills Energy	3758174801	12/29/2015	\$ 46.62		\$ 46.62	
Colorado Springs Utilities	1063295574	1/6/2016	\$ 18,627.60		\$ 18,627.60	
Colorado Springs Utilities	9778564050	1/4/2016	\$ 13.42		\$ 13.42	
Colorado Springs Utilities	3857668853	1/4/2016	\$ 16.48		\$ 16.48	
Colorado Springs Utilities	9038484301	1/4/2016	\$ 13.42		\$ 13.42	
Colorado Springs Utilities	8668751056	1/4/2016	\$ 23.60		\$ 23.60	
FirstBank	6721				\$ -	
Interstate Chemical Co.			\$ -		\$ -	
Lamb Excavating					\$ -	
Mountain States Pipe & Supply	344016-01	11/22/2015	\$ 312.00		\$ 312.00	
Mountain States Pipe & Supply	344163-00	11/22/2015	\$ 156.00		\$ 156.00	
Mountain States Pipe & Supply	344150-00	1/20/2016	\$ 500.00		\$ 500.00	
Pippenger Hedberg, LLC					\$ -	
Schooler & Associates, Inc.	5889	12/31/2015	\$ 5,000.00		\$ 5,000.00	
Verizon	9752965976				\$ -	
White Bear Ankele Tanaka & Waldron	69694	12/25/2015	\$ 6,765.16		\$ 6,765.16	
<b>TOTAL</b>			<b>\$ 31,641.12</b>	<b>\$ -</b>	<b>\$ 31,641.12</b>	

**BOND FUND ACCOUNT**

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	2/1/2016	\$ 23,512.44	February Payment
<b>TOTAL</b>		<b>\$ 23,512.44</b>	

**CAPITAL FUND ACCOUNT**

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Marine Diving Solutions	1291	12/28/2015	\$ 2,495.00		\$ 2,495.00	
Meyer & Sams, Inc.					\$ -	
White Bear Ankele Tanaka & Waldron	69694	12/25/2015	\$ 825.00		\$ 825.00	
<b>TOTAL</b>			<b>\$ 3,320.00</b>		<b>\$ 3,320.00</b>	

**GRANT FUND ACCOUNT**

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
					\$ -	
					\$ -	
<b>TOTAL</b>			<b>\$ -</b>		<b>\$ -</b>	

**TOTAL FOR ALL FUNDS**      **\$ 58,473.56**

\_\_\_\_\_, President  
 Cascade Metropolitan District

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.e**

**Enclosure**



11:50 AM  
01/15/16  
Accrual Basis

**Cascade Metropolitan District No. 1**  
**Balance Sheet**  
As of December 31, 2015

	Dec 31, 15
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
1995 Checking	63,482.17
2002 Savings	34,386.30
UMB COI 143222.6	627.02
UMB Interest 143222.1	47,074.06
UMB Project 143222.5	3,091,510.72
UMB Reserve 143222.3	368,001.63
<b>Total Checking/Savings</b>	<b>3,605,081.90</b>
Accounts Receivable	
11000 - Accounts Receivable	2,077.71
<b>Total Accounts Receivable</b>	<b>2,077.71</b>
<b>Total Current Assets</b>	<b>3,607,159.61</b>
<b>TOTAL ASSETS</b>	<b>3,607,159.61</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
20000 - Accounts Payable	943.50
<b>Total Accounts Payable</b>	<b>943.50</b>
<b>Total Current Liabilities</b>	<b>943.50</b>
<b>Long Term Liabilities</b>	
Bonds Payable 2015A	3,500,000.00
Bonds Payable 2015B	1,500,000.00
<b>Total Long Term Liabilities</b>	<b>5,000,000.00</b>
<b>Total Liabilities</b>	<b>5,000,943.50</b>
<b>Equity</b>	
30000 - Opening Balance Equity	-180,464.08
Net Income	-1,213,319.81
<b>Total Equity</b>	<b>-1,393,783.89</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,607,159.61</b>

# Cascade Metropolitan District No. 1

## Profit & Loss Budget Performance

### December 2015

	Dec 15	Budget	Jan - Dec 15	YTD Budget	Annual Budget
<b>Income</b>					
1-505 · Water Sales	30,052.18	35,416.66	265,095.40	425,000.00	425,000.00
1-508 · Water Service Charge	4,919.06	6,000.00	88,198.40	72,000.00	72,000.00
1-510 · Late Fees	0.00	166.66	6,770.00	2,000.00	2,000.00
1-512 · Water Provision Fee	0.00	9,100.00	61,201.66	109,200.00	109,200.00
1-515 · Pipeline Surcharge	5,769.29	7,500.00	128,977.32	90,000.00	90,000.00
1-517 · Tap Fees	15,000.00		15,000.00		
1-560 · Interest Income	3.87	1.66	39.90	20.00	20.00
1-575 · Miscellaneous Income	1,000.00		1,036.00		
1-585 · Loan Proceeds	0.00		0.00	1,500,000.00	1,500,000.00
1-591 · Forgiveness of Debt	0.00		13,095.19		
2-510 · Debt Service Water Fee	27,386.04		159,570.28		
2-524 · Series 2015A-Reoffering Prem.	0.00		46,657.00		
2-560 · Interest Income-Debt	99.26		487.56		
3-560 · Interest Income - Capital	771.25		3,529.54		
<b>Total Income</b>	<b>85,000.95</b>	<b>58,184.98</b>	<b>789,658.25</b>	<b>2,198,220.00</b>	<b>2,198,220.00</b>
<b>Expense</b>					
1-612 · Accounting	92.12	2,883.34	39,679.69	34,600.00	34,600.00
1-615 · Audit	0.00		9,869.22	7,500.00	7,500.00
1-618 · Bank Fees	34.56	8.34	393.46	100.00	100.00
1-635 · Election	0.00		394.00		
1-670 · Insurance/SDA Dues	0.00		8,439.35	7,883.00	7,883.00
1-672 · Dues, Fees & Subscriptions	0.00		809.41	380.00	380.00
1-675 · Legal	0.00	5,416.66	130,251.95	65,000.00	65,000.00
1-676 · Special Litigation Counsel	0.00		9,581.81		
1-680 · Management	0.00	2,500.00	40,392.09	30,000.00	30,000.00
1-682 · Engineering	0.00		0.00	5,000.00	5,000.00
1-685 · Miscellaneous	0.00		5,386.57	7,000.00	7,000.00
1-693 · Payroll Taxes	934.01	248.66	6,486.57	2,984.00	2,984.00
1-710 · Chemical and Supplies	0.00	150.00	415.00	1,800.00	1,800.00
1-715 · Operation Labor	7,166.84	3,250.00	39,613.99	39,000.00	38,000.00
1-718 · Locates	0.00		0.00	600.00	600.00
1-720 · Repairs and Maintenance	27,405.80	833.34	55,743.39	10,000.00	10,000.00
1-725 · Telephone/Utilities	130.67	416.66	1,982.83	5,000.00	5,000.00
1-730 · Vehicle Expense	416.86	300.00	1,018.04	3,600.00	3,600.00
1-735 · Water Purchase	28,408.80	20,416.66	171,997.50	245,000.00	245,000.00
1-740 · Water Quality Testing	240.50	208.34	1,838.69	2,500.00	2,500.00
1-745 · Meter Software and Hardware	0.00	266.66	0.00	3,200.00	3,200.00
1-750 · Website	0.00		0.00	500.00	500.00
1-755 · Engineering/Survey	0.00		39,655.00		
1-760 · Office Supplies/Postage	0.00	125.00	271.24	1,500.00	1,500.00
1-815 · Turse Bond Payments	0.00		5,645.50	5,306.00	5,306.00
1-820 · DOLA - Interest Payment	0.00		7,073.46	7,941.00	7,941.00
1-825 · DOLA - Loan Payments	0.00		9,541.09	25,082.00	25,082.00
1-830 · COS Utility Interest Expense	0.00		8,102.15	25,000.00	25,000.00

# Cascade Metropolitan District No. 1

## Profit & Loss Budget Performance

### December 2015

	Dec 15	Budget	Jan - Dec 15	YTD Budget	Annual Budget
1-831 · COS Debt	0.00		16,972.48		
1-890 · Payoff of Outstanding Debt	0.00		0.00		
1-891 · Loan Cost of Issuance	0.00		0.00	1,310,000.00	1,310,000.00
1-895 · Emergency Reserve	0.00		0.00	80,000.00	80,000.00
2-610 · Series 2015A-Issue Discount	0.00		0.00	57,794.00	57,794.00
2-617 · Bank Fees - Debt Service	0.00		11,250.00		
2-618 · Bond Issuance Costs	33.67		136.40		
2-801 · Carl Turse Bond	0.00		156,473.34		
2-802 · DOLA - Principal Loan	0.00		68,150.18		
2-803 · DOLA - Interest/Penalty Loan	0.00		504,296.86		
2-804 · CSU Payable	0.00		41,307.13		
2-900 · Interest Expense CMD A 2015	0.00		399,021.03		
2-905 · Interest Expense CMD B 2015	95,412.22		95,412.22		
3-617 · Bank Fees - Capital	39,416.67		39,416.67		
3-675 · Legal - Capital	207.71		966.39		
3-763 · Design Costs	0.00		6,509.50		
	0.00		67,483.86		
<b>Total Expense</b>	<b>199,900.43</b>	<b>37,023.66</b>	<b>2,002,978.06</b>	<b>1,984,270.00</b>	<b>1,984,270.00</b>
<b>Net Income</b>	<b>-114,899.48</b>	<b>21,161.32</b>	<b>-1,213,319.81</b>	<b>213,950.00</b>	<b>213,950.00</b>

# Cascade Metropolitan District No. 1

## Profit & Loss Budget Performance

### January through December 2015

	Jan - Dec 15	Budget	Jan - Dec 15	YTD Budget	Annual Budget
<b>Income</b>					
1-505 · Water Sales	265,095.40	425,000.00	265,095.40	425,000.00	425,000.00
1-508 · Water Service Charge	88,198.40	72,000.00	88,198.40	72,000.00	72,000.00
1-510 · Late Fees	6,770.00	2,000.00	6,770.00	2,000.00	2,000.00
1-512 · Water Provision Fee	61,201.66	109,200.00	61,201.66	109,200.00	109,200.00
1-515 · Pipeline Surcharge	128,977.32	90,000.00	128,977.32	90,000.00	90,000.00
1-517 · Tap Fees	15,000.00		15,000.00		
1-560 · Interest Income	39.90	20.00	39.90	20.00	20.00
1-575 · Miscellaneous Income	1,036.00		1,036.00		
1-585 · Loan Proceeds	0.00	1,500,000.00	0.00	1,500,000.00	1,500,000.00
1-591 · Forgiveness of Debt	13,095.19		13,095.19		
2-510 · Debt Service Water Fee	159,570.28		159,570.28		
2-524 · Series 2015A-Reoffering Prem.	46,657.00		46,657.00		
2-560 · Interest Income-Debt	487.56		487.56		
3-560 · Interest Income - Capital	3,529.54		3,529.54		
<b>Total Income</b>	789,658.25	2,198,220.00	789,658.25	2,198,220.00	2,198,220.00
<b>Expense</b>					
1-612 · Accounting	39,679.69	34,600.00	39,679.69	34,600.00	34,600.00
1-615 · Audit	9,869.22	7,500.00	9,869.22	7,500.00	7,500.00
1-618 · Bank Fees	393.46	100.00	393.46	100.00	100.00
1-635 · Election	394.00		394.00		
1-670 · Insurance/SDA Dues	8,439.35	7,883.00	8,439.35	7,883.00	7,883.00
1-672 · Dues, Fees & Subscriptions	809.41	380.00	809.41	380.00	380.00
1-675 · Legal	130,251.95	65,000.00	130,251.95	65,000.00	65,000.00
1-676 · Special Litigation Counsel	9,581.81		9,581.81		
1-680 · Management	40,392.09	30,000.00	40,392.09	30,000.00	30,000.00
1-682 · Engineering	0.00	5,000.00	0.00	5,000.00	5,000.00
1-685 · Miscellaneous	5,386.57	7,000.00	5,386.57	7,000.00	7,000.00
1-693 · Payroll Taxes	6,486.57	2,984.00	6,486.57	2,984.00	2,984.00
1-710 · Chemical and Supplies	415.00	1,800.00	415.00	1,800.00	1,800.00
1-715 · Operation Labor	39,613.99	39,000.00	39,613.99	39,000.00	39,000.00
1-718 · Locates	0.00	600.00	0.00	600.00	600.00
1-720 · Repairs and Maintenance	55,743.39	10,000.00	55,743.39	10,000.00	10,000.00
1-725 · Telephone/Utilities	1,982.83	5,000.00	1,982.83	5,000.00	5,000.00
1-730 · Vehicle Expense	1,018.04	3,600.00	1,018.04	3,600.00	3,600.00
1-735 · Water Purchase	171,997.50	245,000.00	171,997.50	245,000.00	245,000.00
1-740 · Water Quality Testing	1,838.69	2,500.00	1,838.69	2,500.00	2,500.00
1-745 · Meter Software and Hardware	0.00	3,200.00	0.00	3,200.00	3,200.00
1-750 · Website	0.00	500.00	0.00	500.00	500.00
1-755 · Engineering/Survey	39,655.00		39,655.00		
1-760 · Office Supplies/Postage	271.24	1,500.00	271.24	1,500.00	1,500.00
1-815 · Turse Bond Payments	5,645.50	5,306.00	5,645.50	5,306.00	5,306.00
1-820 · DOLA - Interest Payments	7,073.46	7,941.00	7,073.46	7,941.00	7,941.00
1-825 · DOLA - Loan Payments	9,541.09	25,082.00	9,541.09	25,082.00	25,082.00
1-830 · COS Utility Interest Expense	8,102.15	25,000.00	8,102.15	25,000.00	25,000.00

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Accrual Basis

# Cascade Metropolitan District No. 1

## Profit & Loss Budget Performance

### January through December 2015

	Jan - Dec 15	Budget	Jan - Dec 15	YTD Budget	Annual Budget
1-831 · COS Debt	16,972.48		16,972.48		
1-890 · Payoff of Outstanding Debt	0.00	1,310,000.00	0.00	1,310,000.00	1,310,000.00
1-891 · Loan Cost of Issuance	0.00	80,000.00	0.00	80,000.00	80,000.00
1-895 · Emergency Reserve	0.00	57,794.00	0.00	57,794.00	57,794.00
2-610 · Series 2015A-Issue Discount	11,250.00		11,250.00		
2-617 · Bank Fees - Debt Service	136.40		136.40		
2-618 · Bond Issuance Costs	156,473.34		156,473.34		
2-801 · Carl Turse Bond	69,150.18		69,150.18		
2-802 · DOLA - Principal Loan	504,296.86		504,296.86		
2-803 · DOLA - Interest/Penalty Loan	41,307.13		41,307.13		
2-804 · CSU Payable	399,021.03		399,021.03		
2-900 · Interest Expense CMD A 2015	95,412.22		95,412.22		
2-905 · Interest Expense CMD B 2015	39,416.67		39,416.67		
3-617 · Bank Fees - Capital	966.39		966.39		
3-675 · Legal - Capital	6,509.50		6,509.50		
3-763 · Design Costs	67,483.86		67,483.86		
<b>Total Expense</b>	<b>2,002,978.06</b>	<b>1,984,270.00</b>	<b>2,002,978.06</b>	<b>1,984,270.00</b>	<b>1,984,270.00</b>
<b>Net Income</b>	<b>-1,213,319.81</b>	<b>213,950.00</b>	<b>-1,213,319.81</b>	<b>213,950.00</b>	<b>213,950.00</b>

**CASCADE METROPOLITAN DISTRICT  
ENTERPRISE CAPITAL PROJECT FUND**

	ACTUAL 2015	ACTUAL 2016 TO DATE	2016 BUDGET
<b>CAPITAL FUND: BEGINNING BALANCE</b>	\$ -	\$ 3,091,510.72	\$ 3,084,145.00
REVENUES - SERIES 2015 BOND PROCEEDS	\$ 4,510,607.00		\$ 6,000.00
INTEREST INCOME	\$ 3,529.54	-	
TOTAL REVENUES	\$ 4,514,136.54	-	\$ 6,000.00
TOTAL REVENUE & FUND BALANCE	\$ 4,514,136.54	\$ 3,091,510.72	\$ 3,090,145.00
EXPENDITURES			
CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ 2,779,510.50
LEGAL	\$ 6,509.50	\$ -	\$ 10,000.00
ENGINEERING	\$ 67,483.86	\$ -	\$ 298,414.50
BANK CHARGES	\$ 966.39	\$ -	\$ 2,220.00
TRANSFER TO GENERAL FUND	\$ 333,890.87	\$ -	\$ -
TRANSFER TO DEBT SERVICE FUND	\$ 1,013,775.20	\$ -	
TOTAL EXPENDITURES	\$ 1,422,625.82	\$ -	\$ 3,090,145.00
CAPITAL FUND: ENDING BALANCE	\$ 3,091,510.72	\$ 3,091,510.72	\$ -

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**Cascade Metropolitan District No. 1**  
**Profit & Loss**  
 December 2015

	Dec 15
<b>Income</b>	
1-505 · Water Sales	30,052.18
1-508 · Water Service Charge	4,919.06
1-515 · Pipeline Surcharge	5,769.29
1-517 · Tap Fees	15,000.00
1-560 · Interest Income	3.87
1-575 · Miscellaneous Income	1,000.00
2-510 · Debt Service Water Fee	27,386.04
2-560 · Interest Income-Debt	99.26
3-560 · Interest Income - Capital	771.25
<b>Total Income</b>	85,000.95
<b>Expense</b>	
1-612 · Accounting	92.12
1-618 · Bank Fees	34.56
1-693 · Payroll Taxes	934.01
1-715 · Operation Labor	7,166.84
1-720 · Repairs and Maintenance	27,405.80
1-725 · Telephone/Utilities	130.67
1-730 · Vehicle Expense	416.86
1-735 · Water Purchase	28,408.80
1-740 · Water Quality Testing	240.50
2-617 · Bank Fees - Debt Service	33.67
2-900 · Interest Expense CMD A 2015	95,412.22
2-905 · Interest Expense CMD B 2015	39,416.67
3-617 · Bank Fees - Capital	207.71
<b>Total Expense</b>	199,900.43
<b>Net Income</b>	-114,899.48

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.f**

**Enclosure to be provided under separate cover**



**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.g  
Enclosure**



January 19, 2016

Cascade Metropolitan District No. 1  
c/o Lori VonFeldt via email: [lori@schoolerandassociates.com](mailto:lori@schoolerandassociates.com)

We are pleased to confirm our understanding of the services we are to provide for Cascade Metropolitan District No. 1 as of and for the year ended December 31, 2015.

We will audit the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Cascade Metropolitan District No. 1 as of and for the year ended December 31, 2015. Accounting principles generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A") to supplement Cascade Metropolitan District No. 1's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement we will apply certain limited procedures to Cascade Metropolitan District No. 1's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

1. Budgetary comparison schedule for the general fund

\*You have informed us that the MD&A will be omitted. Our report will be modified accordingly.

We have also been engaged to report on supplementary information other than RSI that accompanies Cascade Metropolitan District No. 1's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and will provide an opinion on it in relation to the basic financial statements as a whole, in a report combined with our auditor's report on the financial statements

1. Budgetary comparison schedule for major fund(s) other than the general fund as applicable

We understand that the following people or entities will use these financial statements for the enumerated purposes:

<u>USER</u>	<u>PURPOSE</u>
State of Colorado	To provide assurance that the financial statements adhere to accounting principles generally accepted in the United States of America
Management	To provide assurance on the financial statements used to enhance management decisions

You agree that you will discuss the suitability of this presentation with us if you intend to submit these financial statements to other users or to any of the identified users for different purposes.

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#### **Audit Objective**

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

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#### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the entity involving (1) management, (2) employees who have significant roles in internal control and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

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#### **Audit Procedures – General**

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An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

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#### **Audit Procedures – Internal Control**

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Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

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#### **Audit Procedures – Compliance**

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As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Cascade Metropolitan District No. 1's compliance with the

provisions of applicable laws, regulations contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

#### **Engagement Administration, Fees and Other**

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We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically or on your internet website(s), you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include an "accountant's report" or a "disclaimer" on the financial presentation(s) which we specify. Further, you agree to provide us with printers' proofs or masters of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name and/or the name of an employee of the firm and a financial presentation for our approval before it is distributed.

You understand that we provide clients with services specifically focused on identifying and addressing deficiencies in internal controls, and on searching for the existence of fraud within the entity. If you would like us to perform these services, we would be happy to discuss that opportunity with you. However, you acknowledge that those services are outside the scope of this engagement and are not included in the fees detailed below.

It is our policy to retain engagement documentation for a period of at least five years, after which time we may commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than the compiled financial statement, which we will provide you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony related to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates for the time we expend in connection with such response, and to reimburse us for all related out-of-pocket costs incurred.

You and BiggsKofford, P.C. both agree that any dispute that may arise from this engagement will, prior to resorting to litigation, be submitted for mediation before the American Arbitration Association. Both parties

further agree that any such mediation shall be administered within El Paso County Colorado and the results of any such mediation shall be binding upon agreement of each party to be bound. Further, both parties agree that any potential legal action between you and BiggsKofford, P.C. shall be resolved in El Paso County District Court according to Colorado law.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all parties.

We want you to clearly understand that this type of financial statement presentation is not designed for, and should not be used for, any purpose subject to regulation by the Securities and Exchange Commission or the securities division of any state.

We understand that your employees will prepare all cash and other confirmations we request and will locate any documents selected by us for testing.

We expect to issue our reports no later than July 31, 2016. Braden Hammond is the engagement principal and is responsible for supervising the engagement and for signing the report or authorizing another individual to sign it.

Our fees for this engagement are not contingent on the results of our services. We estimate that our fees for these services will range from \$7,500 to \$8,500 for the audit. You will also be billed for travel and other out-of-pocket expenses. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered semi-monthly as work progresses and are payable on presentation. Any remaining balance will be due upon delivery of your financial statements. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of the termination.

We appreciate the opportunity to be of service to Cascade Metropolitan District No. 1 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If, after full consideration and consultation with counsel if so desired, you agree with the terms of our engagement as described in this letter, **PLEASE INITIAL EACH PAGE, SIGN THE LAST PAGE** and return a copy to us.

Sincerely,

*BiggsKofford, P.C.*

BiggsKofford, P.C.

**RESPONSE:**

**This letter correctly sets for the understanding of Cascade Metropolitan District No. 1.**

Authorized signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.h  
Enclosure**

INDEPENDENT CONTRACTOR AGREEMENT  
(On Call Repair Services)

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This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the "Agreement"), is entered into as of the 26<sup>th</sup> day of January, 2016, by and between CASCADE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and BEERS AND BROCK CONSTRUCTION LLC, a Colorado limited liability company (the "Contractor"). The District and the Contractor are referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating and maintaining certain public facilities and improvements for itself, its taxpayers, residents and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire and retain agents, employees, engineers and attorneys; and

WHEREAS, the District desires to engage the Contractor to perform certain services as are needed by the District to serve the property within and without its boundaries; and

WHEREAS, the Contractor has represented that it has the professional experience, skill and resources to perform the services, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. **SCOPE OF SERVICES.** The Contractor shall perform the services described in Exhibit A, attached hereto and incorporated herein by this reference (the "Services"): (a) in a first-class manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services in the area of the District; (b) within the time period and pursuant to the Scope of Services specified in said Exhibit A; (c) in such a manner as to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the District; and (d) in compliance with all applicable federal, state, county and local or municipal body or agency statutes, ordinances and regulations, including, without limitation, any licensing, bonding, and permit requirements, and



including without limitation, any such laws relating to storage, use or disposal of hazardous wastes, substances or materials. Exhibit A may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement.

2. TERM/RENEWAL. This Agreement shall be effective as of the dated date hereof and shall terminate on the earlier to occur of: (i) termination pursuant to Section 18 hereof; (ii) completion of the Services; or (iii) December 31, 2016. Notwithstanding the foregoing, unless terminated pursuant to (i), (ii) or (iii), above, or unless the District determines not to appropriate funds for this Agreement for the next succeeding year, this Agreement shall automatically renew for each succeeding year for an additional one (1) year term commencing January 1 of the next succeeding year.

3. ADDITIONAL SERVICES. The District may, in writing, request the Contractor to provide additional services not set forth in Exhibit A. The terms and conditions of the provision of such services shall be subject to the mutual agreement of the Contractor and the District pursuant to a written service/work order executed by an authorized representative of the District and the Contractor. Authorization to proceed with additional services shall not be given unless the District has appropriated funds sufficient to cover the additional compensable amount. To the extent additional services are provided pursuant to this Section 3, the terms and conditions of this Agreement relating to Services shall also apply to any additional services rendered.

4. REPAIRS/CLAIMS. The Contractor shall notify the District immediately of any and all damage, that is not considered an intended part of the scope of work, caused by the Contractor to District property and that of third parties. The Contractor will promptly repair or, at the District's option, reimburse the District for the repair of any damage to property caused by the Contractor or its employees, agents or equipment. In addition, the Contractor shall promptly notify the District of all potential claims of which it becomes aware. The Contractor further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the District the opportunity to review and inspect such evidence, including the scene of any damage or accidents. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Services and shall provide all reasonable protection to prevent damage or injury to persons and property, including any material and equipment related to the Services, whether in storage on or off site, under the care, custody, or control of the Contractor or any of its subcontractors.

5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services;

and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the standards of care, skill and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the Contractor's performance of the Services does not meet this standard, the Contractor shall, at the District's request, re-perform the Services not meeting this standard without additional compensation.

b. The Services of the Contractor shall be undertaken and completed to assure their expeditious completion in light of the purposes of this Agreement. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give timely notice to the District of such a delay or change and receive an equitable adjustment of time and/or compensation, as negotiated between the Parties.

c. The Services provided under this Agreement shall be adequate and sufficient for the intended purposes and shall be completed in a good and workmanlike manner.

d. The Contractor declares that it has complied with all Federal, State and local laws, rules, regulations, ordinances and/or similar directives regarding business permits, certificates and licenses that are required to provide the Services under this Agreement.

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant or employee of the District. Review, acceptance or approval by the District of the Services performed or any documents prepared by the Contractor shall not relieve the Contractor of any responsibility for deficiencies, omissions or errors in said Services or documents, nor shall it be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

6. MONTHLY STATUS REPORT. The Contractor shall provide to the District, at the District's request, on or before the 25<sup>th</sup> of each month, a narrative progress and status report describing work in progress and results achieved during the reporting period, including a description of the Services performed during the invoice period and the Services anticipated to be performed during the ensuing invoice period ("Monthly Report").

## 7. COMPENSATION AND INVOICES.

a. Compensation. Compensation for the Services provided under this Agreement shall be in accordance with the compensation schedule attached hereto as Exhibit A. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in Exhibit A of this Agreement, unless said reimbursement or compensation is approved in writing by the District in

advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Contractor's actual cost, provided that the Contractor shall notify the District of the estimated amount of such reimbursable costs (or any material adjustments thereto subsequently identified) prior to commencing the requested services.

b. Invoices. Invoices for the Services shall be submitted monthly, by the 10<sup>th</sup> of each month, during the term of the Agreement and shall contain the following information:

- i. An itemized statement of the Services performed.
- ii. Any other reasonable information required by the District to process payment of the invoice, including project and/or cost codes as provided in any applicable written service/work order.

The District shall be charged only for the actual time and direct costs incurred for the performance of the Services. Invoices received by the District after the 10<sup>th</sup> of each month may be processed the following month.

8. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of: (i) a timely, satisfactory and detailed invoice; and (ii) if applicable, a satisfactory and detailed Monthly Report, for that portion of the Services performed and not previously billed. The District may determine to waive or extend the deadline for filing the Monthly Report, or may make payment for Services to the Contractor notwithstanding a delay in filing the Monthly Report, upon reasonable request of the Contractor, if it is in the best interest of the District to do so. In the event a Board meeting is not scheduled in time to review payment of an invoice, the Board hereby authorizes payment for Services, subject to the appropriation and budget requirements under Section 27, without the need for additional Board approval, so long as any payment required to be made does not exceed the amounts appropriated for such Services as set forth in the District's approved budget. Such payment shall require review and approval of each Monthly Report and invoice by the President and one other officer of the District, subject to ratification at the next succeeding special or regular Board meeting.

9. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing herein shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income or other tax contributions, insurance contributions (e.g. FICA taxes), workers' compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits or insurance. The Contractor shall be responsible for its safety, the safety of its employees, the public and the work site in general and shall comply with all

applicable provisions of local, state and federal laws, regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970 (OSH Act). All personnel furnished by the Contractor will be deemed employees of the Contractor and will not for any purpose be considered employees or agents of the District, and the Contractor will comply with all employment laws relative to such employees, including but not limited to Wage and Hour laws, Worker Compensation Laws, Immigration Laws and OSHA-type laws. The Contractor is not entitled to worker's compensation benefits or unemployment insurance benefits, unless unemployment compensation coverage is provided by the Contractor or some other entity other than the District, and the Contractor is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.

10. EQUAL OPPORTUNITY / EMPLOYMENT ELIGIBILITY. This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

The Contractor hereby states that it does not knowingly employ or contract with illegal aliens and that the Contractor has participated in or has attempted to participate in the E-Verify Program or Department Program (formerly known as the Basic Pilot Program) (as defined in §8-17.5-101, C.R.S.) in order to verify that it does not employ any illegal aliens. The Contractor affirmatively makes the follow declarations:

a. The Contractor shall not knowingly employ or contract with an illegal alien who will perform work under the public contract for services contemplated herein and will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services contemplated herein.

b. The Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the services contemplated herein.

c. The Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the E-Verify Program or the Department Program.

d. The Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

e. If the Contractor obtains actual knowledge that a subcontractor performing the services under this Agreement knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

i. Notify the subcontractor and the District within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien.

ii. Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required above the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

f. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such Department is undertaking pursuant to the authority established in §8-17.5-102, C.R.S.

g. If the Contractor violates a provision of the Agreement pursuant to §8-17.5-102, C.R.S., the District may terminate the Agreement. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the District.

#### 11. CONTRACTOR'S INSURANCE.

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in Exhibit B, attached hereto and incorporated herein by this reference. A waiver of subrogation and rights of recovery against the District, its directors, officers, employees and agents is required for each coverage provided. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District and its respective managers, members, officers, directors, partners and employees, as additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The District shall have the right to verify or confirm, at any time, all coverage, information or representations contained herein.

b. Prior to commencing any work under this Agreement, the Contractor shall provide the District with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage, which certificate(s) shall be attached hereto as Exhibit B-1. If the Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance and automobile liability insurance in amounts satisfactory to the District and the Contractor. If the coverage required expires during the term of this Agreement, the Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

c. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained herein; nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision herein. The Contractor shall be responsible for the payment of any deductibles on issued policies.

12. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor, on behalf of its employees, agrees to enter into a confidentiality agreement. Any information deemed confidential by the District and given to the Contractor by the District, or developed by the Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Contractor shall hold in strict confidence, and shall not use in competition, any information which the Contractor becomes aware of under or by virtue of this Agreement which the District deems confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, might reasonably be construed to be contrary to the best interests of the District.

b. Conflicts. Prior to the execution of, and during the performance of this Agreement and prior to the execution of future agreements with the District, the Contractor agrees to notify the owner of conflicts that impact the Services to the District.

13. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services, shall make them available for the District's use and shall provide such copies to the District upon request at no cost.

14. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the services contemplated herein. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Contractor will provide indemnification against all such liens for labor performed, materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 15(b), below.

15. INDEMNIFICATION.

a. The Contractor shall defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants, from and against

any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses, including reasonable legal expenses and attorneys' fees, arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work pursuant to this Agreement. The Contractor is not obligated to indemnify the District for the District's own negligence. This indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for the Contractor under worker's compensation acts, disability acts or other employee benefit acts.

b. The Contractor will at all times indemnify, defend and hold the District and its directors, officers, managers, agents and employees harmless against any liability for claims and liens for labor performed or materials used or furnished in the performance of Contractor's Services, including any costs and expenses incurred in the defense of such claims and liens, reasonable attorneys' fees and any damages to the District resulting from such claims or liens. After written demand by the District, the Contractor will immediately cause the effect of any suit or lien to be removed from the District's property. In the event the Contractor fails to do so, the District is authorized to use whatever means in its discretion it may deem appropriate to cause said lien or suit to be removed or dismissed, and the costs thereof, together with reasonable attorneys' fees, will be immediately due and payable by the Contractor or may, at the District's option, be offset against any sums due and payable to Contractor pursuant to this Agreement. In the event a suit on such claim or lien is brought, the Contractor will, at the option of the District, defend said suit at its own cost and expense, with counsel satisfactory to the District and will pay and satisfy any such claim, lien, or judgment as may be established by the decision of the Court in such suit. The Contractor may litigate any such lien or suit, provided the Contractor causes the effect thereof to be removed promptly in advance from the District's property.

c. This indemnity coverage shall also cover the District's defense costs in the event that the District, in its sole discretion, elects to provide its own defense. The District retains the right to disapprove counsel, if any, selected by the Contractor to fulfill the foregoing defense indemnity obligation, which right of disapproval shall not be unreasonably exercised. Insurance coverage requirements specified herein shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary for the District's protection in the performance of this Agreement. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

16. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment, delegation or subcontracting of this Agreement in whole or in part with respect to which the District has not consented, in writing, shall be null and void and of no effect whatsoever.

17. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services under this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor. The Contractor shall not subcontract any Services without prior written approval by the District. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained herein holding the District harmless for the acts of the subcontractor. The Contractor further agrees that any such subcontract shall be terminable for cause or convenience and that, unless directed otherwise by the District, the Contractor shall immediately terminate all such subcontracts immediately upon termination of this Agreement. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without further cost upon termination of this Agreement. Neither the District's approval of any subcontractors, suppliers or materialmen, nor the failure of performance thereof by such parties, will relieve, release or affect in any manner any of the Contractor's duties, liabilities or obligations under this Agreement, and the Contractor will at all times be and remain fully liable. The Contractor agrees that each of its employees, and any subcontractors, suppliers and materialmen will be properly qualified and will use reasonable care in the performance of their duties.

18. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for cause or for convenience by the Contractor upon delivery of thirty (30) days prior written notice to the District and by the District by giving the Contractor thirty (30) days prior written notice. Such notice shall not be required for automatic expiration under Section 2, above. If this Agreement is terminated, the Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination by either Party hereto, the Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. All time, fees and costs associated with such transition shall not be billed by the Contractor to the District.

19. DEFAULT. If either Party fails to perform in accordance with the terms, covenants and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 20 below, and the defaulting party will have fifteen (15) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such fifteen (15)-day period and the defaulting party gives written notice to the non-defaulting party within such fifteen (15)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the fifteen (15)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will,



in addition to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

20. **NOTICES.** Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided herein designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

District: Cascade Metropolitan District No. 1  
c/o Schooler & Associates, Inc.  
20 Boulder Crescent Street, Suite 200  
Colorado Springs, Colorado 80903  
Attention: Kevin Walker  
(719) 447-1777 (phone)  
[kevin@schoolerandassociates.com](mailto:kevin@schoolerandassociates.com)

With copy to: WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
Attention: Jennifer Gruber Tanaka, Esq.  
(303) 858-1800 (phone)  
(303) 858-1801 (fax)  
[jtanaka@wbapc.com](mailto:jtanaka@wbapc.com)

Contractor: Beers and Brock Construction LLC  
11010 Twin Fawn Way  
Peyton, Colorado 80831  
Attention: Dennis Brock (Contact Person)  
(719) 495-3372 (phone)  
[dennis@beersandbrock.com](mailto:dennis@beersandbrock.com)

21. AUDITS. The District shall have the right to audit, with reasonable notice, any of the Contractor's books and records which may be necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll and personnel records) and the Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years thereafter and to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

22. ENTIRE AGREEMENT. This Agreement constitutes the entire Agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Contractor and the District.

23. BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the Parties hereto.

24. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default be deemed a waiver of any subsequent default.

25. GOVERNING LAW / DISPUTES. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the District's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated. In the event that it becomes necessary for either party to enforce the provisions of this Agreement or to obtain redress for the breach or violation of any of its provisions, whether by litigation, arbitration or other proceedings, the prevailing party shall recover from the other party all costs and expenses associated with such proceedings, including reasonable attorney's fees. For purposes of this Agreement, "prevailing party" shall mean the party in whose favor a judgment, decree, or final order is rendered, either by an arbitrator or the court, after appeal, if any. In the event both Parties prevail on one or more claims, the prevailing party shall mean the net winner of a dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other Party. Notwithstanding the foregoing, if a written offer of compromise made by either Party is not accepted by the other Party within thirty (30) days after receipt and the Party not accepting such offer fails to obtain a more favorable judgment, the non-accepting Party shall not be entitled to recover its costs of suit and reasonable

attorney's fees and costs (even if it is the prevailing party) and shall be obligated to pay the costs of suit and reasonable attorney's fees and costs incurred by the offering Party. At the District's request, the Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed as an admission of fault or liability. The Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act in a timely manner or failure of the District to furnish timely information or to approve or disapprove of Contractor's Services in a timely manner.

26. GOOD FAITH OF PARTIES. In the performance of this Agreement, or in considering any requested approval, acceptance, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, or extension of time required or requested pursuant to this Agreement.

27. SUBJECT TO ANNUAL APPROPRIATION AND BUDGET. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District pursuant to this Agreement requiring budgeting and appropriation of funds are subject to annual budgeting and appropriations. The Contractor expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

28. GOVERNMENTAL IMMUNITY. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

29. NEGOTIATED PROVISIONS. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

30. SEVERABILITY. If any covenant, term, condition or provision of this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition or provision shall not affect any other

provision contained herein, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

31. NO THIRD PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

32. OPEN RECORDS. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

33. WARRANTY. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the "Work") will be of good quality and new, unless otherwise required or permitted by the Agreement. The Contractor further warrants that the Work will conform to all requirements of the Agreement and all other applicable laws, ordinances, codes, rules and regulations of any governmental authorities having jurisdiction over the Work. All Services are subject to the satisfaction and acceptance of the District, but payments for the completed Work will not constitute final acceptance nor discharge the obligation of the Contractor to correct defects at a later date. Such warranties set forth herein are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

34. TAX EXEMPT STATUS. The District is exempt from Colorado State sales and use taxes. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase the materials tax free. Pursuant to § 39-26-1 14(1)(a)(XIX)(A), C.R.S., Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

35. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

*[Remainder of page intentionally left blank. Signature pages follow].*

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

DISTRICT:

CASCADE METROPOLITAN DISTRICT NO. 1,  
a quasi-municipal corporation and political  
subdivision of the State of Colorado

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Officer of the District

ATTEST:

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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

---

General Counsel to the District

*District's Signature Page to Independent Contractor Agreement for On Call Repair Services  
with Cascade Metropolitan District No. 1, dated January 26, 2016*

CONTRACTOR: BEERS AND BROCK  
CONSTRUCTION, LLC

Printed Name: Roger Beers

Title: President

STATE OF COLORADO

)  
) ss.  
)

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of January, 2016,  
by Roger Beers as the President of Beers and Brock Construction, LLC, a Colorado limited  
liability company.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

(S E A L)

\_\_\_\_\_  
Notary Public

*District's Signature Page to Independent Contractor Agreement for On Call Repair Services  
with Cascade Metropolitan District No. 1, dated January 26, 2016*

EXHIBIT A  
SCOPE OF SERVICES & COMPENSATION SCHEDULE

**Description of Beers and Brock Construction LLC Scope of Services –**

Perform On Call Repairs to existing Cascade Metropolitan District No. 1 waterline infrastructure and installation of new Cascade Metropolitan District No. 1 waterline infrastructure as requested by the Cascade Metropolitan District No. 1.

**Beers and Brock Construction LLC Compensation Schedule –**

The following factors will be used in determining the final prices of work on this negotiated firm fixed cost plus construction contract.

- Profit Margin: *3% of Direct Project Costs*
- Overhead for general office activities on the base costs: *10% of Direct Project Costs*
- Markup on subcontractor work by Beers and Brock Construction LLC: *10% of Subcontractor Direct Costs*
- Materials and equipment markup on base costs: *10% of Material and Equipment Direct Costs*
- Additional factors applied to project labor: *Labor Burden – 45% of Direct Labor Costs*

*An eight hour minimum charge for Crew Labor and Equipment will be applied to all call outs.*

*If required, add Bonding rate of \$35 per \$1,000 of contract value (one year maintenance bond)*

Contractor shall perform the Services for an amount not-to-exceed \$25,000, which Services shall be invoiced at the rates and percentages set forth herein and shall not be performed without direction from the District's Manager, Operator or Board of Directors.

**Typical Beers and Brock items and associated Direct Hourly Rates –**

	Regular Time Hourly Rate	Overtime Hourly Rate
<b><u>Labor</u></b>		
Crew Foreman (Typically 1/crew)	\$34.00	\$51.00
Operator (Typically 2/crew)	\$25.00	\$37.50
Leadman (Typically 1/crew)	\$22.00	\$33.00
Laborer (Typically 2/crew)	\$19.00	\$28.50
Move Truck Driver	\$25.00	\$37.50
General Superintendent	\$65.00	Same
<b><u>Equipment</u></b>		
Pickup Truck	\$15.00	Same
Tool Trailer	\$2.00	Same
Komatsu 228 Excavator	\$70.00	Same
Komatsu 138 Excavator	\$60.00	Same

Komatsu 320 Loader	\$60.00	Same
Skid Steer	\$40.00	Same
Shields / Shoring (Typical waterline situations)	\$20.00	Same

***[Remainder of Page Intentionally Left Blank].***



EXHIBIT B  
INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 11 of the Agreement.

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.
2. Commercial General Liability Insurance with minimum limits of liability of not less than \$1,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate. Such insurance will include coverage for contractual liability, personal injury and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:
  - a. premises operations;
  - b. personal injury liability without employment exclusion;
  - c. blanket contractual;
  - d. broad form property damages, including completed operations;
  - e. medical payments;
  - f. products and completed operations;
  - g. independent consultants coverage;
  - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant; and

**This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage. This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.
4. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.

# EXHIBIT B-1 CERTIFICATE(S) OF INSURANCE



## CERTIFICATE OF LIABILITY INSURANCE

BEERAND-01 S1SGREENE

DATE (MM/DD/YYYY)  
12/22/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> SRA Insurance Agency, LLC 5201 Johnson Drive, Suite 500 Mission, KS 66205		<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): (913) 831-1777 FAX (A/C, No): (913) 831-4730 E-MAIL ADDRESS: info@srains.com	
		<b>INSURER(S) AFFORDING COVERAGE</b>	
		INSURER A: Continental Casualty	NAIC # 20443
		INSURER B: Continental Insurance Company	36288
		INSURER C: RSUI Indemnity Company	22314
		INSURER D: Columbia Casualty Company	31127
		INSURER E:	
		INSURER F:	

**INSURED**  
  
 Beers and Brock Construction, LLC  
 5595 East Bijou Street  
 Colorado Springs, CO 80916

COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:		
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		C5098476906	02/01/2015	02/01/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPIOP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS MCS-90 <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS		BUA5099476940	02/01/2015	02/01/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB DED RETENTION \$ 10,000		5098476937	02/01/2015	02/01/2016	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	WC5098476923	02/01/2015	02/01/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Excess Liability		NHA070672	02/01/2015	02/01/2016	XS Umb 3,000,000
D	Prof/Poll		CEO5098662238	02/01/2015	02/01/2016	Prof/Poll 1,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) RE: ON CALL REPAIR SERVICES CERTIFICATE HOLDER, ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ARE ADDITIONAL INSURED RESPECTS REFERENCED COVERAGES EXCEPT WORK COMP IF REQUIRED BY WRITTEN CONTRACT & ALLOWED BY STATUTE. COVERAGE IS PRIMARY/NONCONTRIBUTORY. WAIVER OF SUBROGATION IS APPLICABLE WHERE ALLOWED BY STATUTE & IF REQUIRED BY WRITTEN CONTRACT.						

<b>CERTIFICATE HOLDER</b>  Cascade Metropolitan District No. 1 c/o Schooler & Associates, Inc. 20 Boulder Crescent Street, Ste 200 Colorado Springs, CO 80903	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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ACORD 25 (2014/01)

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1317.0208; 727232

EXHIBIT C  
CERTIFICATE OF GOOD STANDING WITH COLORADO SECRETARY OF STATE

OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Wayne W. Williams, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Beers and Brock Construction LLC

is a

Limited Liability Company

formed or registered on 11/01/2013 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20131637193 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 12/29/2015 that have been posted, and by documents delivered to this office electronically through 12/31/2015 @ 11:43:22 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 12/31/2015 @ 11:43:22 in accordance with applicable law. This certificate is assigned Confirmation Number 9434697



Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*  
*Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."*

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.i**

**Enclosure**

**Resolution No. 2016-01-01**

**RESOLUTION  
OF THE BOARD OF DIRECTORS OF THE  
CASCADE METROPOLITAN DISTRICT NO. 1**

**DESIGNATING THE DISTRICT'S 24-HOUR POSTING LOCATION**

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WHEREAS, the Cascade Metropolitan District No. 1 (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 24-6-402(1)(a), C.R.S., the District is a local public body and subject to the provisions of §§ 24-6-401, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-903(2), C.R.S., notice of the time and place for meetings of the Board of Directors of the District (the "Board") is required to be posted in three (3) public locations within the boundaries of the District at least seventy-two (72) hours before any regular or special meeting; and

WHEREAS, § 24-6-402(2)(c), C.R.S., provides that, in addition to any other means of full and timely notice, a local public body shall be deemed to have given full and timely notice if the notice of the meeting is posted in a designated public place within the boundaries of the local public body no less than twenty-four (24) hours prior to the holding of the meeting; and

WHEREAS, pursuant to § 24-6-402(2)(c), C.R.S., the public place or places for posting such notice shall be designated annually at the local public body's first regular meeting of each calendar year; and

WHEREAS, the Board has determined to designate one of the three posting locations used for meeting notices in satisfaction of § 32-1-903(2), C.R.S. as its designated posting location for notices under § 24-6-402(2)(c), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates the following location for the posting of its twenty-four (24) hour meeting notices:

The Ute Pass Library, 8010 Severy Road, Cascade, Colorado.

ADOPTED this 26<sup>th</sup> day of January, 2016.

CASCADE METROPOLITAN DISTRICT NO. 1

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Officer of the District

ATTEST:

---

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

---

General Counsel to the District

*[Signature Page to Resolution Designating the 24-Hour Posting Location.]*

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 6.j**

**Enclosure**

**CASCADE METROPOLITAN DISTRICT NO. 1**  
**PUBLIC RECORDS REQUEST POLICY**  
**Adopted January 26, 2016**

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**I. Purposes of the District's Public Records Request Policy**

This Public Records Request Policy of the Cascade Metropolitan District No. 1 (the "**District**") shall be applied and interpreted with the following purposes in mind:

- a. To adopt a Public Records Request Policy pursuant to § 24-72-203(1), C.R.S.;
- b. To provide access to and the protection and integrity of Public Records in the custody of the District;
- c. To prevent unnecessary interference with the regular discharge of the duties of the District and its manager in compliance with the Colorado Open Records Act, §§ 24-72-200.1 to 24-72-206, C.R.S. ("**CORA**");
- d. To establish reasonable and standardized fees for producing copies of and information from records maintained by the District as authorized by CORA; and
- e. To set forth a general procedure for providing consistent, prompt and equitable service to those requesting access to Public Records.

**II. Public Records Requests**

**A. Applicability**

This Public Records Request Policy applies to requests submitted to the District for the inspection of Public Records pursuant to CORA, and shall supersede any previously adopted CORA policies of the District.

**B. Definitions**

1. "**Custodian**": Except as otherwise provided in this policy, the term "**Custodian**" shall mean the District Manager, or any successor that has been designated by the Board of the District to oversee the collection, retention, and retrieval of Public Records of the District.

2. "**Public Records**": As defined in § 24-74-202(6), C.R.S.

**C. Submission of Requests**

1. Requests for inspection of Public Records are to be submitted in writing on an official request form to the Custodian and must be sufficiently specific as to enable the Custodian to locate the information requested with reasonable effort. The official request form is attached here as **Exhibit A** and incorporated herein by this reference, as may be modified from time to time by the District. The District has determined that the use of an official request form is necessary for the efficient handling of Public Records requests.



2. Requests may be submitted by mail, fax, e-mail or hand-delivery.
3. A request shall be considered made when the request is actually received by the Custodian:
  - a. A letter is received when it is opened in the usual course of business by the recipient or a person authorized to open the recipient's mail;
  - b. A fax is received when it is printed during regular business hours, or, if received after hours, at 8:30 a.m. on the following business day; and
  - c. An e-mail is received when it is received and opened during regular business hours, or, if received after hours, at 8:30 a.m. on the following business day.
4. If a deposit is required, the request is not considered received until the deposit is paid.

D. Inspection

1. The Custodian or the Custodian's designee shall make the requested Public Records available for inspection during regular business hours, deemed to be from 8:30 a.m. to 4:30 p.m., Monday through Friday, except for times the Custodian's office is closed. During the inspection of Public Records, the Custodian may ask that the requestor follow certain procedures to protect the integrity of the Public Records.
2. If a Public Record is not immediately or readily available for inspection, the Custodian or the Custodian's designee shall make an appointment or other arrangements with the applicant concerning the time at which the requested record will be available. The Public Records shall be made available for inspection within a reasonable time, which is presumed to be three (3) working days or less from the date of receipt of the request. Such three (3) day period may be extended by an additional seven (7) working days if extenuating circumstances, as described in § 24-72-203(3)(b), C.R.S., exist. Responding to applications for inspection of Public Records need not take priority over the previously scheduled work activities of the Custodian or the Custodian's designee.
3. All Public Records to which the request applies shall be preserved from the date of the request until such time as set forth in the District's records maintenance, retention, or deletion policy or practices utilized by the Custodian.
4. No one shall remove a Public Record from the Custodian's offices without the permission of the Custodian. Public Records may be removed from file folders or places of storage for photocopying by the Custodian or the Custodian's designee. The Custodian may allow a person to use his or her own portable electronic equipment to make copies of Public Records.
5. As a general practice, in response to a Public Records request:
  - a. Public Records in hard copy, paper, published, or documentary form shall be made available for inspection;

b. A document will not ordinarily be created in order to respond to such a request;

c. In the case of e-mail that is a Public Record, paper copies of such e-mail that is a Public Record will be made available by the Custodian in response to such a request;

d. The person making the request shall not be allowed to access the Custodian's computer or any other computer for purposes of inspecting any Public Records;

e. Any portion of a Public Record containing non-public information that is not subject to inspection may be redacted by the Custodian prior to making the record available for inspection. The Custodian is not required to redact information from a writing that is not a Public Record in order to make the writing available for inspection. *Denver Publishing Co. v. Bd. of County Comm'rs of the County of Arapahoe*, 121 P.3d 190 (Colo. 2005); *Colorado Republican Party v. Benefield, et al.*, Court of Appeals No. 07CA1216, Oct. 23, 2008 (Unpublished).

f. The Custodian, in consultation with the District's general counsel, will determine which information is no longer considered "work-in-progress" subject to the deliberative process or work product privilege and therefore eligible for release.

6. Where a request seeks in excess of 25 e-mails or other electronically-stored Public Records, the Custodian may elect to produce Public Records in electronic form on a disk or comparable media. The following procedure shall apply in responding to such a request:

a. The Custodian shall solicit the comments of the requestor regarding any search terms to be used to locate and extract such records, and, in doing so, will seek to have the request refined so that it does not result in an inordinate number of irrelevant or duplicative documents, it being understood that the Custodian will make the final determination regarding search terms;

b. The Custodian shall designate an employee or another person with experience in performing electronic searches to locate and extract responsive records;

c. The person who is designated to perform the searches shall consult, as appropriate, with legal counsel to identify privileged records that should not be produced; and

d. Where appropriate, legal counsel shall conduct a final review to identify and withhold privileged records.

7. The Custodian or the Custodian's designee shall deny the inspection of the records if such inspection would be contrary to federal or state law or regulation or would violate a court order. In special circumstances, a Custodian shall deny inspection of the Public Records if such inspection would cause substantial injury to the public interest. Such a denial shall be made in writing by the Custodian to the person making the request and shall set forth with

specificity the grounds of the denial. It is not necessary to state a ground for denial of access for each document if a specific ground is applicable to a group of documents.

8. If the Public Records requested are not in the custody or control of the Custodian, the Custodian shall notify the requestor of this fact in writing. In such notification, the Custodian shall state in detail to the best of his/her knowledge and belief the reason for the absence of the Public Records, the location of the Public Records, and what person then has custody or control of the Public Records.

9. All Public Records, regardless of storage format, will be administered in accordance with approved retention schedules. The District reserves the right to adopt the records retention policy that has been promulgated by the Custodian.

E. Fees for All Record Requests

1. **Fees for standard reproductions.** The Custodian or the Custodian's designee shall charge a fee not to exceed twenty-five cents per page for any photocopies or printed copies of electronic records that are required to make a Public Record available. Other reproductions of Public Records shall be provided at a cost not to exceed the actual cost of the reproduction. Such fees shall be paid by the applicant prior to the receipt of copies of any Public Records. Requests expected to exceed a total charge of \$10.00 or more must be accompanied by a deposit equal to the reasonably-estimated reproduction costs. This deposit will be credited toward the total fee, and the total fee shall be paid prior to release of the requested records. In the event the deposit amount exceeds the actual costs, the balance will be refunded.

2. **Transmission fees.** No fees related to transmission shall be charged for transmitting public records via electronic mail. Within the period specified in § 24-72-203, C.R.S., the Custodian shall notify the record requester that a copy of the record is available but will only be sent to the requester once the custodian receives payment for postage if the copy is transmitted by United States mail, or payment for the cost of delivery if the copy is transmitted other than by United States mail, and payment for any other supplies used in the mailing, delivery, or transmission of the record and for all other costs associated with producing the record. Upon receiving such payment, the custodian shall send the record to the requester as soon as practicable but no more than three business days after receipt of such payment.

3. **Fees for search, retrieval and legal review:**

a. In the case of any request requiring more than one hour of time for search, retrieval, supervision of inspection, copying, manipulation, redaction or legal counsel review to identify and withhold privileged records, the Custodian or the Custodian's designee may charge a hourly fee for such time not to exceed \$30.00 per hour pursuant to § 24-72-205(6)(a), C.R.S. Prior to performing any services necessary to respond to a request, the Custodian or the Custodian's designee shall require the applicant to pay a deposit equal to the reasonably estimated fees that will be charged by the Custodian for such staff time. Before receiving any records, the applicant shall also pay the amount by which the cost of any open records services exceeds the deposit. The District shall promptly refund the amount by which the deposit exceeds the cost of any open records services.

b. To the extent possible, the Custodian shall utilize administrative or clerical staff for search and retrieval of Public Records who are ordinarily responsible for such duties to ensure that the fees charged for staff time in connection with the request represent costs incurred in the ordinary course of business and not extraordinary charges, but in any case, such charges shall not exceed \$30 per hour.

*Signature page follows.*

APPROVED AND ADOPTED THIS 26TH DAY OF JANUARY, 2016.

**CASCADE METROPOLITAN DISTRICT NO. 1**

\_\_\_\_\_  
Officer of District

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

**WHITE BEAR ANKELE TANAKA & WALDRON**  
Attorneys at Law

\_\_\_\_\_  
General Counsel to the District

**EXHIBIT A**  
**OFFICIAL REQUEST FORM**

## CASCADE METROPOLITAN DISTRICT NO. 1

### Request for Inspection/Copy of Public Records

**For Internal Use Only**Date of Request: \_\_\_\_\_  
Time of Request: \_\_\_\_\_ AM/PM

Applicant Name: \_\_\_\_\_

Applicant Address: \_\_\_\_\_ City/State: \_\_\_\_\_ Zip: \_\_\_\_\_

Daytime Phone #: ( ) \_\_\_\_\_ Alt. /Cell: ( ) \_\_\_\_\_

Email: \_\_\_\_\_

Detailed description of the records requested: (Please use additional sheets if necessary)

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Please select a preferred format for the materials: Hard Copies \_\_\_\_\_ Electronic (PDF) \_\_\_\_\_ View Hard Copy Only \_\_\_\_\_

**Estimated Charges:**

Number of pages \_\_\_\_\_ @ \$0.25/page \$ \_\_\_\_\_ Research &amp; Retrieval \_\_\_\_\_ hours @ \$30.00/hr after one hour \$ \_\_\_\_\_

Postage/Delivery costs: \$ \_\_\_\_\_ Total estimated cost: \$ \_\_\_\_\_ Deposit required: \$ \_\_\_\_\_

Note: Non-standard and special requests will be billed at cost and charged in addition to any other fees.

I request the records described and agree to pay all charges incurred in processing this request at or before the time the records are made available. If over \$10, I understand I must provide a deposit to pay for the cost incurred to obtain the records. I understand that the Estimated Charges are estimates only, and that the actual cost may vary. This request will be considered received when this form is complete and received by the Custodian, and any required deposit is paid.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please return completed form to:

Cascade Metropolitan District No. 1, c/o Schooler &amp; Associates, Inc.

20 Boulder Crescent St., Colorado Springs, CO 80903

For more information call: (719) 447-1777

If the records are available pursuant to § 24-72-201 et seq. C.R.S., the records shall be made available for viewing within three working days. The date of receipt is not included in calculating the response date. If extenuating circumstances exist so that the Custodian cannot reasonably gather the records within the three-day period, the Custodian may extend the period by up to seven working days. The requestor shall be notified of the extension within the three-day period. Public records shall be viewed at the District's offices during regular business days at prearranged times.

For Internal Use Only	
Date request completed:	Amount prepaid: \$ _____
Approved: _____ Denied: _____	Balance due before release: \$ _____
If denied, provide reason(s):	Total Amount paid: \$ _____

**Cascade Metropolitan District No. 1**

**November 17, 2015 Board meeting**

**Agenda Item 11.c**  
**Enclosure**



**ELECTIONS CALENDAR  
FOR MAY 3, 2016, REGULAR SPECIAL DISTRICT ELECTION**

<b>DATE</b>	<b>EVENT</b>
January 24, 2016 – February 18, 2016	<b>Publish Call for Nominations</b>
February 26, 2016	<b>Self Nomination and Acceptance Forms Due</b>
February 29, 2016	<b>Write-in Candidates Due</b>
March 1, 2016	<b>Cancellation of Election</b> <i>(If the only matter before the Electors is the Election of Directors, and there are not more candidates than offices to be filled)</i>
March 1, 2016 – March 4, 2016	<b>Lot Drawing</b> <i>(Notify Candidates of the date, time and location of Lot Drawing)</i>
March 4, 2016	<b>Ballot Certification</b>
March 9, 2016	<b>Mail Ballot Plan Available</b>
March 18, 2016	<b>Pro/Con TABOR Comments Deadline</b>
April 1, 2016	<b>TABOR Notices Mailed</b>
April 11, 2016 – April 18, 2016	<b>Ballots Mailed</b>
April 18, 2016	<b>Election Judges Appointment Deadline</b>
April 18, 2016	<b>Canvassers Appointed</b>
April 29, 2016	<b>Last Day to Request an Absentee or Replacement Ballot by Mail</b>
May 3, 2016	<b>Last Day to Request an Absentee or Replacement Ballot if the Mail-in Ballot is not to be Mailed by the Requestor</b>
May 3, 2016	<b>ELECTION DAY</b> <i>(The DEO is required to keep the polls consistently open from 7:00 a.m. to 7:00 p.m.)</i>
May 17, 2016	<b>The Board of Canvassers is Required to Certify the Final Abstract of Votes Cast to the DEO no Later than 17 Days After the Election</b>
June 2, 2016	<b>Deadline to Take Oath of Office</b>